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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON

JEROME BOYD BERRYHILL,
Plaintiff,

Civil No. 05-810-AA
OPINION AND ORDER

vs.

ROD MINARIK,
Defendant.

Ann Berryhill Witte
Attorney at Law
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Portland, OR 97205
Attorney for plaintiff

David Moule
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Attorney for defendant

AIKEN, Judge:

Plaintiff Jerome Berryhill brought this action for copyright infringement under 17 U.S.C. § 501, seeking an injunction to prevent defendant Rod Minarik from distributing a computer program for which Berryhill wrote code, as well as payment for damages. Minarik denied infringement and filed a counterclaim for intentional interference with his business, alleging Berryhill wrongfully registered the computer program

1 as a sole copyright holder because the program was developed
2 jointly. Berryhill then filed a motion for summary judgment,
3 relying on his copyright registration with the U.S. Copyright
4 Office, and a motion to dismiss defendant's claim of
5 intentional interference with business relations. For reasons
6 stated below, plaintiff's motions are denied.

7 BACKGROUND

8 In 2003, defendant Minarik hired plaintiff Berryhill to
9 create a new version of Minarik's 18-year old software
10 application for operating a telephone answering service.
11 Minarik's original version ran in a DOS environment, but once
12 Microsoft stopped supporting DOS applications, Minarik needed
13 the software translated into a computer language supported by
14 Microsoft Windows. The specific working arrangements between
15 Berryhill and Minarik are unclear from the record developed
16 thus far, but it appears Berryhill began work on the new code,
17 with Minarik directing changes to create the functionality
18 desired. Their working relationship deteriorated around
19 November 2004 over allocation of profits for the revised
20 program titled "Nova TAS System," and the two individuals
21 ultimately parted ways. In December 2004, Berryhill learned
22 Minarik was still offering Nova TAS for sale and actively
23 recruiting a new computer programmer.

24 On March 25, 2005, Berryhill filed an application for sole
25 copyright registration of Nova TAS with the U.S. Copyright
26 Office. On April 14, he hired an attorney to send Minarik a
27 cease and desist letter to halt distribution of Nova TAS.
28 Berryhill then filed this action June 3, 2005. Minarik filed

1 his answer Sept. 6, 2005 including a counterclaim for
2 intentional interference, based in part on plaintiff's
3 allegedly inappropriate sole copyright registration of Nova
4 TAS.

5 STANDARDS

6 1. Summary Judgment

7 Summary judgment is appropriate "if the pleadings,
8 depositions, answers to interrogatories, and admissions on
9 file, together with the affidavits, if any, show that there is
10 no genuine issue as to any material fact and that the moving
11 party is entitled to a judgment as a matter of law." Fed. R.
12 Civ. P. 56(c). Substantive law on an issue determines the
13 materiality of a fact. T.W. Electrical Service, Inc. v.
14 Pacific Electrical Contractors Assoc., 809 F.2d 626, 630 (9th
15 Cir. 1987). Whether the evidence is such that a reasonable
16 jury could return a verdict for the nonmoving party determines
17 the authenticity of a dispute. Anderson v. Liberty Lobby,
18 Inc., 477 U.S. 242, 248 (1986).

19 The moving party has the burden of establishing the
20 absence of a genuine issue of material fact. Celotex Corp. v.
21 Catrett, 477 U.S. 317, 323 (1986). If the moving party shows
22 the absence of a genuine issue of material fact, the nonmoving
23 party must go beyond the pleadings and identify facts which
24 show a genuine issue for trial. Id. at 324.

25 Special rules of construction apply when evaluating
26 summary judgment motions: (1) all reasonable doubts as to the
27 existence of genuine issues of material fact should be resolved
28 against the moving party; and (2) all inferences to be drawn

1 from the underlying facts must be viewed in the light most
 2 favorable to the nonmoving party. T.W. Electrical, 809 F.2d at
 3 630.

4 2. Motion to Dismiss

5 Under Fed. R. Civ. P. 12(b)(6), dismissal for failure to
 6 state a claim is proper only when it appears to a certainty
 7 that the plaintiffs can prove no set of facts in support of
 8 their claim that would entitle them to relief. Litchfield v.
 9 Spielberg, 736 F.2d 1352, 1357 (9th Cir. 1984), cert. denied,
 10 470 U.S. 1052 (1985). For the purpose of the motion to
 11 dismiss, the complaint is liberally construed in favor of the
 12 plaintiffs, and its allegations are taken as true. Rosen v.
 13 Walters, 719 F.2d 1422, 1424 (9th Cir. 1983).

14 DISCUSSION

15 1. Copyright claim

16 The United States Copyright Act, 17 U.S.C. §§ 101 et seq.,
 17 was created to preserve the rights of authors and inventors
 18 secured by the U.S. Constitution¹. Copyright protections
 19 subsist in original works of authorship fixed in a tangible
 20 medium of expression, including computer programs. See 17
 21 U.S.C. §§ 101-102 and Apple Computer v. Franklin Computer, 714
 22 F.2d 1240 (3rd Cir. 1983). A violation of any of the exclusive
 23 rights of a copyright owner as provided by sections 106 through
 24 122 of the Act constitutes infringement. 17 U.S.C. § 501.
 25 Those exclusive rights include the right to reproduce and

26
 27 ¹"Congress shall have the power to promote progress of science
 28 and useful arts by securing for limited times to authors and
 inventors the exclusive right to their respective writings and
 discoveries." U.S. Const. art. I, § 8, cl. 8.

1 distribute copyrighted work, and the right to prepare
2 derivative works. 17 U.S.C. §§ 106(1)-(3).

3 a. Copyright ownership

4 At any time during the first term of a work in which
5 copyright was secured before January 1, 1978, registration of a
6 copyright claim with the U.S. Copyright Office is permitted,
7 but not required. 17 U.S.C. § 408(a). Registration is,
8 however, a prerequisite to filing suit for copyright
9 infringement and serves as prima facie evidence of copyright
10 validity. 17 U.S.C. §§ 410-411. The presumption of validity
11 in an infringement suit based on registration, however, can be
12 rebutted by defendant's showing that the plaintiff's work is
13 not original. Three Boys Music Corp. v. Bolton, 212 F.3d 477,
14 489 (9th Cir. 2000). Thus, the weight to be accorded the
15 certificate of registration is within the court's discretion.
16 17 U.S.C. § 410(c).

17 Here, as discussed below, Minarik has provided evidence
18 that Berryhill's work is not an original work of authorship.
19 Thus Berryhill's certificate of registration alone does not
20 provide sufficient proof of ownership.

21 b. Authorship

22 As noted above, an author's rights under the Copyright Act
23 of 1976 vest not upon registration, but upon fixation of an
24 original work of authorship in a tangible medium of expression.
25 17 U.S.C. § 102. "Author" is not defined in the Act, but has
26 been held to require minimal creativity and originality. See
27 Feist Publications, Inc. v. Rural Telephone Service, Co., 499
28 U.S. 340 (1991).

1 Berryhill alleges Minarik has no rights as an author
2 because he did not write any of the code for Nova TAS.
3 However, in his copyright application, Berryhill notes that his
4 program is a derivative work built from a previous version. A
5 "derivative work" is a work based upon one or more preexisting
6 works. 17 U.S.C. § 101. Neither party claims authorship of
7 the original work from which Nova TAS was derived, thus it is
8 unclear which, if either of the parties, had the exclusive
9 right to prepare a derivative work.

10 Additionally, both parties allege the development of Nova
11 TAS was to be a partnership. Thus, the possibility exists that
12 Nova TAS is a "joint work" under the Copyright Act. "A 'joint
13 work' is a work prepared by two or more authors with the
14 intention that their contributions be merged into inseparable
15 or interdependent parts of a unitary whole." Id. Both
16 contributions, however, must be copyrightable for each
17 contributor to be deemed an "author." Aalmuhammed v. Lee, 202
18 F.3d 1227, 1231 (9th Cir. 2000).

19 Berryhill relies on Ashton-Tate Corp. v. Ross, 916 F.2d
20 516 (9th Cir. 1990), a case involving authorship of a program
21 jointly developed by two programmers. In Ashton-Tate,
22 programmer Richard Ross agreed to work on the computational
23 component of a program for which programmer Randy Wigginton
24 agreed to work on the user interface. The two partners
25 eventually split, with Wigginton taking his user interface to
26 Ashton-Tate, one of the nation's largest software publishers,
27 and combining it with one of Ashton-Tate's engines to create a
28 spreadsheet program called "Full Impact." Ross claimed Full

1 Impact relied on his previous contribution of ideas and
2 guidance for the user interface and that he was thus a joint
3 author of Full Impact. However, the district and appellate
4 courts held that a mere contribution of ideas did not suffice
5 to grant Ross authorship rights. Id. at 521.

6 Ashton-Tate differs from this case where Berryhill was
7 hired to adapt Minarik's pre-existing program. The record
8 clearly shows that both parties at one time intended their
9 contributions - Minarik's original software and Berryhill's new
10 code - to merge into inseparable parts of the new Nova TAS
11 software. Thus, unlike Ross in Ashton-Tate, Minarik made a
12 substantial contribution by providing the actual framework for
13 Berryhill's code adaptation, not just ideas.

14 Finally, both parties discuss at length whether Minarik
15 employed Berryhill as an independent contractor or employee.
16 No specific evidence has been provided as to the character of
17 the working relationship, however, under the Copyright Act, the
18 authorship of a "work made for hire" vests in the employer.
19 17 U.S.C. § 201(b). A "work made for hire" is either a work
20 prepared by an employee within the scope of his or her
21 employment, or is a work commissioned for use as a contribution
22 to a "collective work" in one of nine categories. 17 U.S.C. §
23 101. As noted by Berryhill, computer programs are not included
24 in the list of categories of a "collective work," but it
25 remains unclear whether Berryhill was actually employed or
26 contracted by Minarik.

27 In Community for Creative Non-violence v. Reid, 490 U.S.
28 730 (1989), the Supreme Court looked to agency law to determine

1 whether an artist commissioned to create a sculpture was an
2 employee or independent contractor. The court looked at a
3 nondeterminative list of factors, including: the hiring party's
4 right to control creation of the work; payment of a salary;
5 provision of tools and location for the work; duration of the
6 relationship; whether the hiring party has the right to assign
7 additional projects; the extent of the hired party's discretion
8 over when and how long to work; the method of payment; the
9 hired party's role in hiring and paying assistants; whether the
10 hiring party is in business; the provision of employee
11 benefits; and the tax treatment of the hired party. Id. at
12 751. Neither party explores any of those criteria here, though
13 it is clear the computer program at issue is not a "collective
14 work" because computer programs are not included as "collective
15 works" under the statute.

16 In sum, Berryhill fails to show, and actually provides
17 evidence in support of the opposite conclusion, that he is the
18 sole author of the program. Disputed issues of fact exist as
19 to the parties' employment relationship and regarding
20 authorship of the original work. Because authorship is a
21 genuine issue of material fact which cannot be determined from
22 the record, summary judgment is therefore inappropriate.

23 c. Copyright infringement

24 The legal or beneficial owner of an exclusive right under
25 a copyright is entitled, subject to the requirements of § 411,
26 to institute an action for any infringement of that right
27 committed while he or she is the owner. 17 U.S.C. § 501(b). As
28 valid ownership is required for an infringement action, and

1 ownership cannot be determined by the record at bar, summary
2 judgment is inappropriate.

3 2. Intentional interference claim

4 Under 28 U.S.C. § 1331, district courts have original
5 jurisdiction of all civil actions arising under the
6 Constitution, laws, or treaties of the United States. Thus,
7 the question of copyright ownership and infringement is left to
8 federal courts alone. Rule 13 of the Federal Rules of Civil
9 Procedure requires a party to plead any counterclaim arising
10 out of the transaction or occurrence that is the subject matter
11 of the opposing party's claim. Fed. R. Civ. P. 13.

12 Here, Minarik alleges Berryhill's act of registering the
13 copyright as sole owner was an intentional interference with
14 Minarik's business relations. Berryhill moves to dismiss
15 Minarik's counterclaim for failure to state a claim. Fed. R.
16 Civ. P. 12(b)(6). The elements of the tort intentional
17 interference with business relations are: 1) the existence of
18 a professional or business relationship; 2) intentional
19 interference with that relationship; 3) by a third party; 4)
20 accomplished through improper means or for an improper purpose;
21 5) a causal effect between the interference and the harm to the
22 relationship; and 6) damages. Allen v. Hall, 328 Or. 276, 280,
23 974 P2d 199, 202 (1999).

24 Minarik has demonstrated sufficient facts on the record to
25 support each of those elements and therefore state a claim for
26 relief pursuant to Rule 12. First, Minarik had an existing
27 client base for his original system and secured new clients for
28 Nova TAS. Second and third, Berryhill is a third party who

1 allegedly interfered with those relationships by threatening
2 the stability of those relations through his copyright
3 registration, as well as allegedly defaming Minarik to his
4 clients. Fourth, Minarik presents evidence suggesting that
5 Berryhill registered the copyright for the improper purpose of
6 interfering with Minarik's business. Fifth and sixth,
7 Minarik's complaint suggests Berryhill's actions damaged his
8 business resulting in monetary damages. Therefore, Berryhill's
9 motion to dismiss Minarik's counterclaim is denied.

10 Conclusion

11 Plaintiff's motion for summary judgment (doc. 16) and
12 motion to dismiss (doc. 15) defendant's counterclaim are
13 denied. Further, 28 U.S.C. § 1367 provides that district
14 courts shall have supplemental jurisdiction over all other
15 claims that are so related to claims in the action within such
16 original jurisdiction that they form part of the same case or
17 controversy under Article III of the U.S. Constitution. 28
18 U.S.C. § 1367. Because this court has original jurisdiction to
19 hear the copyright claim, and defendant has raised a compulsory
20 counterclaim, this court has supplemental jurisdiction over the
21 counterclaim and the state court claim should be extinguished.
22 IT IS SO ORDERED.

23 Dated this 14 day of March 2006.

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26 

27 Ann Aiken
28 United States District Judge